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October 8, 2003

VIA ELECTRONIC FILING

Marlene Dortch, Secretary,
Federal Communications Commission
445 12th Street SW
Room TWB-204
Washington, DC 20554

Re: *Ex Parte Notification: WC Docket 03-167, Application By SBC Communications Inc. For Authorization Under Section 271 of The Communications Act to Provide In-Region, Inter LATA Service in the States of Illinois, Ohio, Indiana and Wisconsin*

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Commission's Rules, Mpower Communications Corp. ("Mpower), by its undersigned counsel, submits this notification of an ex parte meeting in the above-captioned proceeding that took place yesterday involving the undersigned, Scott Sarem and Pat Wilson of Mpower (both via teleconference) and Christopher Libertelli, Senior Legal Advisor to Chairman Powell. Materials referred to in the course of the presentation are attached hereto.

The parties discussed SBC's failure to comply with Checklist Item 2 of the 271 Checklist in the state of Illinois. Specifically, the parties discussed SBC's improper billing of Mpower for trip charges associated with approximately 14,000 trouble tickets, SBC's refusal to address the disputed charges with Mpower or adhere to the agreement between the parties to settle the disputes, and the on-going problems associated with SBC's inability to properly code trouble tickets and the resulting improper billing. The parties also discussed SBC's September 22 and October 2, 2003 ex parte presentations in this docket responding to Mpower's September 16 and September 24 filings.

Specifically, the parties discussed SBC's contentions in its September 22 and October 2, 2003 ex parte responses: (1) that SBC has a new process in place "in hopes" of

Marlene Dortch
October 8, 2003
Page Two

reducing the number of billing disputes that arise as a result of SBC's faulty trouble ticket coding process; (2) SBC's contention that Mpower does not expend any effort to demonstrate why it believes SBC's charges are inappropriate; and (3) that Mpower has "not agreed to an appropriate sample of trouble tickets from a time period that already was the subject of a prior settlement."

Mpower explained that the new "process" touted by SBC as a solution to the systemic billing problems highlighted by the Mpower dispute consists merely of an electronic method of filing disputes, and that Mpower has not observed any decrease in the number of trip charge disputes it has been forced to file. Further, Mpower provided an explanation of the intensive research and investigation that it undertakes both prior to filing any dispute of improper trip charges with SBC, as well as the hours it expends researching and investigating the disputes in order to prove Mpower's position to SBC once the disputes have been filed. SBC's contention that Mpower has refused to provide a new sample of trouble tickets is simply false. Moreover, SBC has not explained to Mpower why it refuses to adhere to the ground rules that one of its senior executives agreed to as a means of settling the disputes.

Mr. Libertelli suggested that perhaps SBC's poor billing performance would be captured (and addressed) pursuant to the performance measures ("PMs") in place in Illinois. However as the attached documentation from the SBC web site demonstrates, the Illinois State PMs that might capture billing accuracy do not portray accurately SBC's poor performance. Illinois State Performance Measures 14 (Billing Accuracy) and 15 (Percent of Accurate and Complete Formatted Mechanized Bills) would ostensibly capture SBC's admitted poor performance in billing Mpower. However, during the period from June 2002, through August 2003 SBC reports (Measure 14) only 21 errors in the month of June 2003, otherwise they report their billing system to be error free. In addition, they report 100% billing accuracy in each months from June 2002 through August 2003 (measure 15). Clearly, these reports have been scrubbed, and do not reflect SBC's billing errors associated with the 14,000 trouble tickets SBC has billed to Mpower.

Respectfully submitted,



Ross A. Buntrock

cc:
Christopher Libertelli
Pamela Arluk

Scott Sarem Mpower VP Strategic Relations, Pat Wilson, Mpower Director
Strategic Relations;; Ross Buntrock, Kelley Drye & Warren
October 7, 2003

SBC Midwest 271 Application, WC Docket 03-167



mpowerTM
Communications

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Overview

- Background of Mpower.
- 271 Precedent Requires SBC to Show it Provides Accurate, Auditable Wholesale Bills.
- History of Mpower's Trip Charge Dispute With SBC.
- SBC-IL Violates Checklist Item 2.

Background of Mpower

- Facilities-based CLEC providing voice and data products to small, medium and large businesses.
- Provides Service in California, Illinois and Nevada.
- Collocated in 300 central offices (70 in Illinois).

Section 271 Requires SBC to Provide Accurate Wholesale Bills

- *Verizon Pennsylvania Order*, Memorandum Opinion and Order, 16 FCC Rcd 17419, ¶¶22-23 (2001) concluded:
 - “Inaccurate or untimely wholesale bills can impede a competitive LEC’s ability to compete in many ways. First, a competitive LEC must spend additional monetary and personnel resources reconciling bills and pursuing bill corrections. Second, a competitive LEC must show improper overcharges as current debts on its balance sheet until the charges are resolved, which can jeopardize its ability to attract investment capital. Third, competitive LECs must operate with a diminished capacity to monitor, predict and adjust expenses and prices in response to competition.”
- Grossly inaccurate billing, on on-going basis denies CLECs a meaningful opportunity to compete.

History of Mpower's Dispute with SBC

- SBC has admitted that it incorrectly billed Mpower for trip charges in Illinois between April 2002 through August 2003.
 - Mpower investigates every trouble before opening a ticket with SBC
 - SBC billed Mpower for 14,000 trouble tickets during the dispute period.
 - In an effort to resolve a \$1.2 Million dispute, SBC and Mpower agreed to research a random sample for a two month period and apply the results to the entire dispute period.
- The results of the research was that SBC Ameritech incorrectly billed Mpower 93% of the time.
- Mpower provided SBC with another randomly selected group of trouble tickets from the same sample and came up with identical results.

History of Mpower's Dispute with SBC

- SBC will not honor the agreement it made to resolve the dispute, and has provided no factual basis to suggest that the results of the random sample were incorrect.
 - SBC agrees with the results of the sample (93% of the trouble tickets were billed incorrectly).
 - SBC does not want to take a financial hit against a \$1.2 million receivable
 - SBC merely wants Mpower to accept a different number for a settlement with no reasoning or factual analysis to support its position.
- SBC is flexing its muscles to collect on admittedly incorrect bills

SBC-IL Violates Checklist Item 2

- SBC must be held accountable for its non-compliance with the 271 Checklist.
- SBC's poor billing performance is NOT a discrete issue limited to Mpower.
- SBC has no process in place to resolve these disputes quickly (as evidenced by the 14 month vintage of this one).
- SBC has failed to demonstrate that its "new process" to ensure proper trouble ticket coding.

Conclusion: The Commission Should NOT Approve the Illinois Application

- SBC must not be awarded 271 authority in IL until it can affirmatively demonstrate that it is in compliance
 - This includes resolving Mpower's issue
- The Wireline Competition Bureau has told Mpower that SBC's 271 authority is a "sure thing" despite deficiencies in SBC's billing practices and systems.
- The FCC must enforce the law.
- If SBC is not held accountable for compliance with the law it will be further emboldened to act anti-competitively toward facilities based CLECs.

CLEC Name	Measure Name	State	Month	Market Area
All CLECs	14 - Billing Accuracy	IL	June-2002	ALL
All CLECs	14 - Billing Accuracy	IL	July-2002	ALL
All CLECs	14 - Billing Accuracy	IL	August-2002	ALL
All CLECs	14 - Billing Accuracy	IL	September-2002	ALL
All CLECs	14 - Billing Accuracy	IL	October-2002	ALL
All CLECs	14 - Billing Accuracy	IL	November-2002	ALL
All CLECs	14 - Billing Accuracy	IL	December-2002	ALL
All CLECs	14 - Billing Accuracy	IL	January-2003	ALL
All CLECs	14 - Billing Accuracy	IL	February-2003	ALL
All CLECs	14 - Billing Accuracy	IL	March-2003	ALL
All CLECs	14 - Billing Accuracy	IL	April-2003	ALL
All CLECs	14 - Billing Accuracy	IL	May-2003	ALL
All CLECs	14 - Billing Accuracy	IL	June-2003	ALL
All CLECs	14 - Billing Accuracy	IL	July-2003	ALL
All CLECs	14 - Billing Accuracy	IL	August-2003	ALL
All CLECs	14 - Billing Accuracy	IL	June-2002	ALL
All CLECs	14 - Billing Accuracy	IL	July-2002	ALL
All CLECs	14 - Billing Accuracy	IL	August-2002	ALL
All CLECs	14 - Billing Accuracy	IL	September-2002	ALL
All CLECs	14 - Billing Accuracy	IL	October-2002	ALL
All CLECs	14 - Billing Accuracy	IL	November-2002	ALL
All CLECs	14 - Billing Accuracy	IL	December-2002	ALL
All CLECs	14 - Billing Accuracy	IL	January-2003	ALL
All CLECs	14 - Billing Accuracy	IL	February-2003	ALL
All CLECs	14 - Billing Accuracy	IL	March-2003	ALL
All CLECs	14 - Billing Accuracy	IL	April-2003	ALL
All CLECs	14 - Billing Accuracy	IL	May-2003	ALL
All CLECs	14 - Billing Accuracy	IL	June-2003	ALL
All CLECs	14 - Billing Accuracy	IL	July-2003	ALL
All CLECs	14 - Billing Accuracy	IL	August-2003	ALL
CLEC Name	Measure Name	State	Month	Market Area
All CLECs	14 - Billing Accuracy	IL	June-2002	ALL
All CLECs	14 - Billing Accuracy	IL	July-2002	ALL
All CLECs	14 - Billing Accuracy	IL	August-2002	ALL
All CLECs	14 - Billing Accuracy	IL	September-2002	ALL
All CLECs	14 - Billing Accuracy	IL	October-2002	ALL
All CLECs	14 - Billing Accuracy	IL	November-2002	ALL
All CLECs	14 - Billing Accuracy	IL	December-2002	ALL
All CLECs	14 - Billing Accuracy	IL	January-2003	ALL
All CLECs	14 - Billing Accuracy	IL	February-2003	ALL
All CLECs	14 - Billing Accuracy	IL	March-2003	ALL
All CLECs	14 - Billing Accuracy	IL	April-2003	ALL
All CLECs	14 - Billing Accuracy	IL	May-2003	ALL
All CLECs	14 - Billing Accuracy	IL	June-2003	ALL
All CLECs	14 - Billing Accuracy	IL	July-2003	ALL
All CLECs	14 - Billing Accuracy	IL	August-2003	ALL

# of Errors Detected	Total Elements Audited	% Billing Accuracy
0	396	0.00%
0	397	0.00%
0	415	0.00%
0	439	0.00%
0	448	0.00%
0	448	0.00%
0	400	0.00%
0	448	0.00%
0	448	0.00%
0	448	0.00%
0	448	0.00%
0	448	0.00%
21	427	4.92%
0	448	0.00%
0	448	0.00%
0	1,001.00	0.00%
1	1,010.00	0.10%
0	1,008.00	0.00%
1	396	0.25%
1	397	0.25%
5	596	0.84%
0	557	0.00%
0	531	0.00%
2	524	0.38%
0	540	0.00%
1	477	0.21%
9	256	3.52%
0	339	0.00%
0	280	0.00%
0	234	0.00%
# of Elements Not Corrected Prior to Bill Release	Total Elements Audited	% Billing Accuracy
4	1,538.00	0.26%
3	2,404.00	0.12%
37	2,576.00	1.44%
10	2,622.00	0.38%
72	2,548.00	2.83%
82	2,513.00	3.26%
16	1,817.00	0.88%
0	1,823.00	0.00%
32	5,893.00	0.54%
7	5,616.00	0.12%
0	5,775.00	0.00%
53	5,572.00	0.95%
29	3,688.00	0.79%
17	862	1.97%
0	895	0.00%

% Billing Accuracy (Retail)	Benchmark	Z-Value	Affiliate
0.00%		0	0.00%
0.00%		0	0.00%
0.00%		0	0.00%
0.00%		0	0.00%
0.00%		0	0.00%
0.00%		0	0.00%
0.00%		0	0.00%
0.00%		0	0.00%
0.04%		-0.435	0.00%
0.00%		0	0.00%
0.00%		0	0.00%
0.15%		-0.821	0.00%
0.08%		19.474	4.92%
0.06%		-0.52	
0.13%		-0.77	
0.00%		0	0.00%
0.00%		1.387	0.10%
0.00%		0	0.00%
0.00%		2.506	0.25%
0.00%		2.621	0.25%
0.00%		3.954	0.84%
0.00%		0	0.00%
0.00%		0	0.00%
0.68%		-0.765	0.38%
0.82%		-2.116	0.00%
0.00%		1.462	0.21%
0.06%		7.168	3.52%
0.06%		-0.459	0.00%
0.12%		-0.57	
0.71%		-1.296	

% Billing Accuracy (Retail)	Benchmark	Z-Value	Affiliate
0.00%		0.365	0.26%
0.00%		0.252	0.12%
0.00%		0.81	1.44%
0.00%		0.415	0.38%
0.00%		1.144	2.83%
0.00%		1.232	3.26%
0.00%		0.632	0.88%
0.00%		0	0.00%
0.00%		0.496	0.54%
0.00%		0.237	0.12%
0.00%		0	0.00%
0.00%		0.657	0.95%
0.00%		0.597	0.79%
0.00%		0.951	
0.00%		0	

[illegible]

Month	Market Area	Sub Measure	Footnotes
June-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
July-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
August-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
September-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
October-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
November-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
December-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
January-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
February-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
March-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
April-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
May-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
June-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
July-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
August-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--EDI	
June-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
July-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
August-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
September-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
October-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
November-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
December-2002	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
January-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
February-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
March-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
April-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
May-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
June-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
July-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
August-2003	ALL	% Accurate & Complete Formatted Mechanized Bills--BDT	
Month	Market Area	Sub Measure	Footnotes

# of Accurate & Complete Formatted Bills	Total Bills
98	98
99	99
101	101
109	109
113	113
117	117
117	117
119	119
119	119
122	122
120	120
125	125
126	126
129	129
132	132
796	796
831	831
862	862
906	906
936	936
969	969
937	937
902	902
938	938
974	974
999	999
1,057.00	1,057.00
1,083.00	1,083.00
1,092.00	1,092.00
1,097.00	1,097.00
# Accurate & Complete Formatted Bills	Total Bills

[illegible]

Buntrock, Ross A.

From: Wilson, Pat [pwilson@mpowercom.com]
Sent: Tuesday, October 07, 2003 3:17 PM
To: Buntrock, Ross A.; Sarem, Scott
Subject: ILLINOIS STATE PERFORMANCE MEASURES THAT CAPTURE BILLING ACCURACY

Date: Tue, 7 Oct 2003 12:16:37 -0700

MIME-Version: 1.0

X-Mailer: Internet Mail Service (5.5.2656.59)

Content-Type: text/plain;
charset="iso-8859-1"

X-pstn-levels: (S:27.9112 R:95.9108 P:95.9108 M:100.0000 C:86.9899)

X-pstn-settings: 5 (2.0000:2.0000) r p m c

X-pstn-addresses: from <pwilson@mpowercom.com> [2410/106]

Ross/Scott,

Christopher mentioned Illinois State PMs that might capture billing accuracy. Illinois State Performance Measures 14 (Billing Accuracy) and 15 (Percent of Accurate and Complete Formatted Mechanized Bills) both were meant to capture this issue. During the period from June 2002, through August 2003 SBC reports (Measure 14) only 21 errors in the month of June 2003, otherwise they report their billing system to be error free. In addition, they report 100% billing accuracy in each month from June 2002 through August 2003 (measure 15). I'm not sure what parameters SBC is using to derive these numbers, but they are obviously reporting erroneous data.

Pat Wilson
Director of Strategic Relations
Mpower Communications
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October 2, 2003

Ex Parte Presentation

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

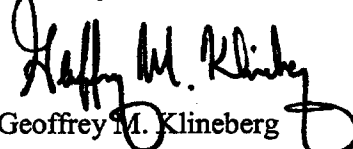
Re: *Application by SBC Communications Inc., et al. for Provision of In-Region, InterLATA Services in Illinois, Indiana, Ohio, and Wisconsin,*
WC Docket No. 03-167

Dear Ms. Dortch:

On behalf of SBC Communications Inc. ("SBC"), I am writing to inform you that representatives of SBC participated yesterday on a conference call with FCC staff to discuss further the IP addresses issue raised by AT&T and the billing issue raised by Mpower. The following people participated on behalf of SBC: Martin E. Grambow, Kelly M. Murray, Beth Lawson, Tom Honigfort, Rebecca L. Sparks, Jamie Williams, and Geoffrey M. Klineberg. The following participated on behalf of the FCC: Pamela Arluk, Cathy Carpino, Michael Goldstein, and Rodney McDonald.

At the request of FCC staff, SBC is providing a written response to questions raised during the meeting. See Attachment. In accordance with this Commission's Public Notice, DA 03-2344 (July 17, 2003), SBC is filing this letter electronically through the Commission's Electronic Comment Filing System. Thank you for your kind assistance in this matter.

Sincerely,


Geoffrey M. Klineberg

Attachment

cc:	Pam Arluk	Hisham Choueiki
	Cathy Carpino	Nicholas Linden
	Janice Myles	Layla Seirafi-Najar
	Jon Feipel	Qualex International
	Karl Henry	

ATTACHMENT

I. AT&T's Issue Regarding Availability of IP Addresses

SBC's existing procedures regarding IP address availability was formulated as part of the Uniform and Enhanced OSS Plan of Record development process in compliance with the SBC/Ameritech Merger Conditions. That process involved collaboration with the CLEC community and resulted in an agreement according to which CLECs could establish three Trading Partner ID ("TPID") and IP address combinations per function (ordering and pre-ordering), per environment (test and production), and per region. See Ex Parte Letter from Geoffrey M. Klineberg, Kellogg, Huber, Hansen, Todd & Evans, P.L.L.C., to Marlene H. Dortch, FCC, Attach. C at 1 (Sept. 22, 2003) ("SBC's Sept. 22 Ex Parte").

Notwithstanding this agreement, SBC does allow for exceptions whereby CLECs may request additional TPID and IP address combinations. In fact, AT&T requested such an exception, and SBC accommodated AT&T's request in October 2001 by providing it with six TPID and IP address combinations – three for its consumer operations and three for its business operations. AT&T specifically agreed to manage its consumer and business operations utilizing these six TPID and IP addresses combinations.¹ One other CLEC has requested additional TPIDs, and SBC has accommodated that request. SBC is not aware of any other CLEC who currently has issues with the availability of TPIDs and IP addresses.

While there are no technical limitations to adding a single TPID and IP address combinations for a CLEC, it is important to recognize that each TPID adds additional processing overhead and that each originating IP address represents an exposure to SBC's security firewall. For performance and security reasons, therefore, SBC has a very real interest in limiting the number of TPIDs and IP addresses assigned. SBC has attempted to balance its needs with the needs of the CLECs and has implemented and applied its policy regarding IP address availability on a nondiscriminatory basis.

SBC believes that, to date, AT&T has sufficient TPID and IP address combinations for both its day-to-day operations and disaster recovery. Nonetheless, AT&T has made a number of claims regarding TPID and IP address availability:

First, AT&T's claims that it "has no IP address available for use with its disaster recovery plan," because it is "currently using its full complement of three addresses" for its consumer operations in the Midwest. However, that is simply untrue. AT&T does not use the two IP addresses combinations it has established for its Digital Link operations in the Midwest region. According to SBC's records, AT&T is sending no transactions to SBC over those connections. This likely is because AT&T uses LEX – and not EDI – to send Digital Link transactions in the Midwest region.

Second, AT&T claims that SBC "has previously agreed to provide an additional IP address for AT&T's disaster recovery plan in the West and Southwest regions." This,

¹ See SBC's Sept. 22 Ex Parte, Attach. C at 1 n.2 & Exhibit (e-mail correspondence documenting AT&T's agreement).

likewise, is simply untrue. As set forth in its September 22 Ex Parte, SBC has not agreed to implement additional IP addresses in the West and Southwest regions.² SBC's policies are consistent across all of its regions. In each region, as described above, SBC allows AT&T's business unit three production TPID/IP address combinations and AT&T's consumer unit three TPID/IP address combinations.

Third, AT&T claims that, due to its arrangements and "SBC's arbitrary restrictions," it has no IP address available for use in disaster recovery. However, it is apparent that this is not due to SBC's policy but rather to AT&T's decision to configure its arrangements differently in the three regions. Specifically, in the Midwest, AT&T's consumer unit currently is configured to use a total of three TPID/IP address combinations, whereas in the West and Southwest, it is configured to use only one TPID/IP address combination. Thus, in the West and Southwest regions, AT&T has additional addresses available out of its total allotment of three for implementation of a disaster recovery plan.³

Finally, AT&T suggests that SBC has a more restrictive IP address availability policy than the other regions. SBC has no information concerning firewall vulnerability in the Verizon, BellSouth, and Qwest regions, or about the specifics of their IP address policies. However, it is clear that SBC currently makes a total of 24 production IP addresses available to AT&T – six in the Midwest, six in the West, six in the Southwest, and six in the East. This number compares favorably with the number AT&T states it has in the other regions – 25 in Verizon, 14 in BellSouth, and 11 in Qwest.

In an effort to resolve AT&T's concerns on a business-to-business basis, SBC made a proposal on September 26, 2003, to expand the current definition of a "TPID/IP address combination." Specifically, under the current definition, a TPID associated with different inbound and outbound IP addresses is counted as two separate TPID/IP address combinations. Under the expanded definition proposed by SBC, such an arrangement would count as a single TPID/IP combination.

With this proposal, AT&T would have the option of associating each of its three consumer TPIDs with separate inbound and outbound IP addresses – providing AT&T with six separate IP addresses for its consumer operations and another six for its business operations in each SBC region. AT&T thus will have the option of associating one LOA TPID with one IP address for inbound Consumer transactions and another IP address for outbound Consumer

² See SBC's Sept. 22 Ex Parte, Attach. C at 2.

³ Although AT&T conceded this point in its original filing in this proceeding, see DeYoung/Willard Decl. ¶ 29 n. 15 ("SBC agreed to provide an address in the SWBT and Pacific Bell regions because in those states AT&T has established only two IP addresses; therefore, AT&T still has one IP address available in those regions"), it has inaccurately contended in its last two ex parte letters that SBC has agreed to make additional addresses available in the West and Southwest regions. See Letter from James P. Young, Counsel for AT&T, to Marlene H. Dortch, FCC, at 2 (Sept. 16, 2003); Letter from James P. Young, Counsel for AT&T, to Marlene H. Dortch, FCC, at 2 (Sept. 29, 2003).

transactions. Similarly, a second LOA TPID could be associated with separate inbound and outbound IP addresses for Digital Link transactions, leaving a third LOA TPID available for whatever additional inbound/outbound transactional needs AT&T may have, including a disaster recovery plan. Notably, this would provide AT&T with 12 production IP addresses for ordering in each SBC region, for a total of 24 TPIDs and 48 IP addresses.

AT&T has confirmed that it is interested in moving forward with this proposal. See Exhibit (containing copy of an e-mail discussion between SBC's Janice Bryan and AT&T's Rebecca Webber). In addition, AT&T has agreed to re-evaluate the use of Network Address Translation ("NAT") as a solution for its disaster recovery needs. Id.

SBC will make this expanded definition of TPID/IP address combinations available to all CLECs within its regions. Moreover, it will include that definition in the next update of its Interconnection Procedures document, available on the CLEC Online web site.

II. Mpower's Issue Regarding Billing For Trip Charges

In its September 24, 2003, Ex Parte Letter, Mpower restates its claim that SBC is improperly billing it for trip charges. SBC believes that it has adequately explained in its prior submissions that Mpower's complaint does not allege any systematic problems with SBC's wholesale billing systems and that this is simply an intercarrier dispute that can best be resolved on a business-to-business basis.

It appears that Mpower has been routinely disputing trip charges billed by SBC, without any apparent effort to demonstrate why it thinks they are inappropriate. Moreover, Mpower fails to escrow any money for the charges it contests.⁴

SBC continues to exercise its best efforts to attempt to resolve this dispute on a business-to-business basis in an amicable manner. During the week of September 15, SBC once again offered to work with Mpower to select a sample more representative of the timeframe encompassing this dispute. To date, Mpower has not agreed to the selection of an appropriate sample that does not include trouble tickets from a time period that already was the subject of a prior settlement.

As the Commission has repeatedly held in prior 271 applications, this is simply not the place to resolve such disputes.

⁴ Mpower has recently represented that it will start investigating the appropriateness of trouble tickets before disputing the billing for them.

From: Webber, Rebecca L, NKLAM [mailto:vanderpol@att.com]
Sent: Wednesday, October 01, 2003 9:49 AM
To: BRYAN, JANICE J (SWBT)
Cc: KROST, BECKY (SWBT); TEMPLE, MELONIE (SWBT); Willard, Walter W (Walt), NKLAM
Subject: RE: DISASTER RECOVERY

Janice,
Following up on our conference call today, AT&T is interested in moving ahead SBC's proposal to add an additional TPID and associated IP. We will also continue to evaluate the possibility of using a NATing solution for Disaster Recovery in the future.
Thanks,
Becky

-----Original Message-----

From: BRYAN, JANICE J (SWBT) [mailto:jb7983@sbccom.com]
Sent: Monday, September 29, 2003 10:03 AM
To: Webber, Rebecca L, NKLAM
Cc: KROST, BECKY (SWBT); TEMPLE, MELONIE (SWBT)
Subject: DISASTER RECOVERY

Becky

Per your request, here is a quick overview of items discussed on Friday.

To assist AT&T with its efforts to establish a disaster recovery plan, SBC has suggested expanding the definition of TPID/IP address combinations as currently reflected in the existing Interconnection Procedures document.

Specifically, under the current definition, a TPID associated with different inbound and outbound IP addresses is counted as two separate TPID/IP address combinations. Under the expanded definition discussed on Friday morning, such an arrangement would count as a single TPID/IP combination. In other words, with this proposal, AT&T would have the option of associating each of its three LOA TPIDs with separate inbound and outbound IP addresses. For example, this arrangement would enable AT&T to associate one LOA TPID with one IP address for inbound Consumer transactions, and another IP address for outbound Consumer transactions. Similarly, a second LOA TPID could be associated with separate inbound and outbound IP addresses for ADL transactions, leaving a third LOA TPID available for whatever additional inbound/outbound transactional needs AT&T may have, including a disaster recovery plan. As always, AT&T would be responsible for establishing these arrangements, and managing the transaction flow for each TPID/IP address combination.

In addition to this proposal, SBC also recommended that AT&T work with its network team to reevaluate the possibility of using NAT to make sure there is a continuous connection. NATing would give AT&T control over how quickly it would be able to bring its network back up without relying on a third party to assist in a disaster situation. SBC will seek to expedite the IP change for return traffic that is "in flight" in the event of a true disaster. However, keeping in mind the established procedure is currently ten business days, an expedite could still take up to 5 business days. SBC believes this proposal presents an alternative solution to AT&T's CMP request to expand the current TPID/IP address combinations from 3 to 5. Accordingly, if this proposal is implemented, SBC would expect AT&T to withdraw that request. Also, if agreement is reached, SBC will include the expanded definition of TPID/IP address combinations discussed above in the next Interconnection Procedures document update.

We look forward to receiving AT&T's response to this proposal. In the meantime, if you have any additional questions, please don't hesitate to contact me.

Janice J. Bryan
Account Manager - Industry Markets
SBC Communications, Inc.
214.464.1053 (Office)

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I hereby declare, under penalty of perjury, that the information contained in Part I of the foregoing attachment is true and correct.

Executed on October 2, 2003.

Beth Lawson
Beth Lawson

I hereby declare, under penalty of perjury, that the information contained in Part II of the foregoing attachment is true and correct.

Executed on October 2, 2003.



Paul O'Sullivan